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Board of Funeral Services Conseil des services funéraires

A N N U A L R E P O R T

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BOARD MEMBERSHIP

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration which had a history dating back to 1914.

The current Act, the *Funeral Directors and Establishments Act*, requires that the Board shall be composed of eleven members, five funeral directors, five public persons and one person who is either a funeral director or a public member. All members are appointed by the Lieutenant-Governor-in-Council.

MEMBERS OF THE BOARD OF FUNERAL SERVICES - 1994

Chair	Doug Porter	Toronto
Vice-Chair	Alex Munroe	Toronto
Members:	Stewart Smith *	Toronto
	Chuck Anderson	Glen Morris
	Allan Cole	Toronto
	Pearl Davie *	Hamilton
	Ted Liddycoat	Kitchener
	Gordon Monk	Minden
	Stephen Speisman *	Thornhill
	Karen Trace *	Scarborough

* Denotes Public Member

BOARD STAFF - 1994

Registrar	Alison M. Reynolds
Executive Secretary	Susan J. Beck
Administrative Inspector	Sheila M. Nunn
Inspectors	Joseph Richer Susan Bradley
Secretary-Receptionist	Rose-Hélène Trenholm

LEGAL COUNSEL

Donald Posluns	Porter, Posluns & Harris
Richard Steinecke	Barristers & Solicitors

AUDITOR

John Mayhue	Harris & Wright
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BOARD OF FUNERAL SERVICES CONSEIL DES SERVICES FUNÉRAIRES

MISSION STATEMENT

The Board of Funeral Services shall, in accordance with the *Funeral Directors and Establishments Act*, regulate the provision of funeral services and transfer services in order that the public interest be served.

Shared Goals and Values

The Board of Funeral Services shall serve the public interest in the provision of funeral and transfer services by:

- establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in Ontario in accordance with the *Funeral Directors and Establishments Act*;
- consulting with all stakeholders in order to ensure that their needs and interest are identified;
- developing and implementing educational programs for funeral service and transfer service providers and providing to consumers information about their rights and responsibilities;
- developing, implementing, and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- ensuring that the policies and practices of the Board reasonably reflect the interests of the residents of Ontario;
- developing recommendations to government on legislation, regulations, policies and practices.

May 5, 1994

FUNCTIONS OF THE BOARD OF FUNERAL SERVICES

The *Funeral Directors and Establishments Act* establishes a self-governing body to administer the Act and regulate the practices of funeral directors, funeral service establishments and transfer services in accordance with the Act and the Regulations in order that the public interest may be served and protected.

The Board is responsible for the review of the operation of this Act and the Regulations and for making recommendations to the Minister of Consumer and Commercial Relations thereon. The Board approves or sets courses of study and examinations for the qualification of applicants for licensure.

In addition, the Board's objects are:

- To establish, maintain and develop standards of knowledge and skill among funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of qualification and standards of practice for funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of professional ethics among funeral directors and persons who operate funeral establishments and transfer services,
- To administer the Compensation Fund,
- To oversee and inspect trust accounts that funeral establishments and transfer services are required by law to establish or maintain,
- To mediate complaints between consumers and licensees, and
- To establish and develop standards for funeral establishments.

The *Funeral Directors and Establishments Act* establishes five standing committees - Executive, Licencing, Complaints, Discipline and Compensation Fund Committee.

REPORT OF THE CHAIRMAN

DOUGLAS R. PORTER

As Chairman of the Board of Funeral Services, I am pleased to submit my annual report on the accomplishments of the Board over the past 11 months. Mainly due to the interest and input of the members and staff, I feel we can be proud of the strides we have made this year in establishing a more effective and efficient working plan for not only the Board but its stakeholders. There are many small changes that have assisted in our achievements, however some have been relatively major and I will attempt to cover those in this report.

The Board has now reviewed all the information and recommendations in the Price-Waterhouse Report and in hand with the recommendations of the Mobray/Frankum Report has started to implement those which the Board deemed worthy of consideration. Information regarding the recommendations will be communicated to licencees through the newsletter

A Long Range Planning Committee has been established to ensure that there is continuity in the goals and objectives of the Board in regulating funeral services into the future, in relation to the *Funeral Directors and Establishments Act*.

Following the approval of a mediation process, the staff has had a considerable amount of success in using this process to deal with less serious consumer complaints. The advantages are that it speeds up the process and provides some relief to the Complaints Committee.

All of the funeral homes in Ontario have been inspected at least once since the coming into force of the *Funeral Directors and Establishments Act*. The Board reviewed the inspection criteria and those establishments who had poor inspection results on their previous inspection will be given priority as the new inspection cycle begins.

There were major improvements made to the apprenticeship program, including individual meetings between students and staff or Licencing Committee members.

A new monthly financial reporting system has been established to give the Board members a better insight into the allocation of funds to the various working committees.

The Board of Funeral Services falls under Pay Equity Legislation and a consultant was hired to assist the Board in

coming into compliance. The consultant, working with a committee from the Board, completed the task of proxy comparison and as a result, the Board is now in compliance with the Legislation.

In response to a concern raised by licencees regarding the Finger Printing of Bodies, the Board contacted the Ministry of the Solicitor General and Correctional Services asking for a position on this issue. As a result, a clarifying directive was sent by the Ministry of the Solicitor General and Correctional Services to all Chiefs of Police and the Commissioner of the Ontario Provincial Police.

Application has been made to the Ontario Court of Justice, General Division, requesting that Mr. Robert Blondell, Ontario Funeral Consultants and Direct Casket Sales, be ordered to stop providing funeral services other than through a licenced funeral establishment.

Between meetings of the full Board, the Executive Committee ensures the continuation of the day to day affairs of the Board and I wish to thank the other members, Alex Munroe and Stewart Smith for their contribution.

The public members and funeral directors comprising the Board along with a very conscientious and dedicated staff have ensured the best provision of funeral and transfer services possible in the province of Ontario and I am most privileged to serve as your Chairman.

REPORT OF THE REGISTRAR

ALISON M. REYNOLDS

The current staff consists of the Registrar, an Executive Secretary, a Secretary, an Administrative Inspector and two Inspectors. During most of the preceding year the position of Secretary/Bookkeeper was vacant and remains so. Despite this staff shortage, the staff maintained the high standard expected of them and due to an extra effort on everyone's part, the work of the Board did not suffer.

Two Board members, Barbara Beck and David Lester completed their terms this year. Both had made significant contributions to the Board. Mr. Lester, a funeral director member, served as Chairman following membership in the Executive, Licencing and Complaints Committees. Mrs. Beck joined the Board as a public member in conjunction with the commencement of debate over the design and content of the *Funeral Directors and Establishments Act*. She served as a member of the Legislative Committee giving many hours to the demands of the role. Mrs. Beck also served as a member of the Licencing, Complaints, Discipline and Executive Committees and served for one year as Chairman of the Board.

Two new members, Mr. Charles Anderson and Mr. Ted Liddycoat, were appointed to the Board. We still await the appointment of an additional public member.

The Board continues to inspect funeral establishments and transfer services. The order of inspections is based on criteria established by the Board:

- * funeral establishments or transfer services under investigation,
- * funeral establishments or transfer services where management or staff have been the subject of complaints or disciplinary action,
- * funeral establishments or transfer services having the same ownership as those where management or staff have been the subject of complaints or disciplinary action,
- * funeral establishments or transfer services which have been subject of consumer complaints,
- * where information is received informally about an establishment or transfer service in difficulty, i.e. financial difficulty,
- * funeral establishments or transfer services under new ownership,
- * new funeral establishments or transfer services,
- * funeral establishments or transfer services not in

- * compliance at the time of the last inspection, and by order of the last inspection date.

Inspections are unannounced and cover the premises, equipment, facilities, books, records and trust accounts pertaining to prepaid services. A thorough system is used so that inspections are conducted in a consistent manner throughout the province.

The inspection of the premises ensures that the requirements of the *Funeral Directors and Establishments Act* are being fulfilled. In addition a random sample of the past funeral files, both those arranged at the time of need and those that were prearranged, are checked for appropriate details. The prepaid files are valued as to principal and accrued interest and bank confirmations are obtained from the institutions where the prepaid trust funds are deposited.

The prepaid files are of special concern. Currently in Ontario funeral directors hold approximately 645 million dollars in trust for approximately 121,000 prepaid contracts.

During the 1993-1994 year, 170 routine inspections were conducted. In addition to those, 14 follow-up inspections, 4 inspections of new establishments and 3 inspections of new preparation rooms were carried out.

For the most part any problems discovered during the inspections were minor in nature and none of the inspections resulted in the funeral director being referred to the Discipline Committee for a hearing. The most common problems discovered were:

- * incomplete price list,
- * prepayment funds being held in the name of the beneficiary rather than the purchaser,
- * errors in disclosure on or completion of contracts,
- * the prepayment funds ledger either non-existent or incomplete,
- * preparation room violations such as no vacuum breakers, first aid kit or eye wash station,
- * not properly refunding excess funds following the provision of prepaid funerals, and
- * preparation rooms not being up to standard in construction.

Every funeral establishment and transfer service in the province has now been inspected at least once since the coming into force of the *Funeral Directors and Establishments Act*. All licencees should now have a good understanding of the requirements of the legislation. Where confusion or a

lack of understanding remains, inspectors are encouraged to provide education and instruction to licencees. Where licencees are receptive, this is probably one of the most effective ways of ensuring compliance.

On more than one occasion during the past year the Board has been forced to deal with issues involving standards. The way in which some licencees handle viscera was called into question. A concern was raised regarding the way in which funeral directors provide assistance to families who are entitled to benefits such as the Canada Pension Plan Death Benefit, Last Post Fund funerals or some other social assistance. Of continuing concern is reinforcement of the authority of managers in funeral establishments and/or transfer services which are owned by unlicensed persons.

While it is important that the Board strive to maintain standards, licencees must realize that if funeral standards in Ontario are to remain high, offering good protection to consumers, it is the licencees themselves who must assume the responsibility for their actions.

We continue to receive inquiries from the public on a multitude of issues but an overwhelming number of the calls concern the disposition of bodies in the least expensive manner possible. Coupled with the fact that we also continue to receive many inquiries from individuals wishing to provide for the disposition of bodies in ways which are not contemplated by the current legislation, it becomes obvious that funeral service is undergoing rapid and dramatic change. Safeguarding the public and allowing for new ventures within the framework of the law will continue to require ingenuity and flexibility on the part of the Board and its staff.

REPORT OF THE COMPENSATION COMMITTEE

PEARL DAVIE

In 1993-94, The Compensation Fund Committee was composed of:

- Pearl Davie, Chairman *
- Doug Porter (Nov.-June)
- Allan Cole *

* Denotes current members

Meetings of the Committee were held in November and December 1993, February, May, June, September, October 1994 with other consultations as required.

Claims on the Fund were dealt with on the basis of legislative requirements and previously agreed criteria. There were fewer claims in the past year.

Operating costs of the Compensation Fund included administrative fee paid to the Board of Funeral Services for staff time and office use, Trustee fees paid to Canada Trust for financial services, Audit fees to Harris & Wright, Auditors, and legal fees related to the Fund to Porter, Posluns and Harris, totalling in all \$17,041.29.

As the Compensation Fund had reached the required level of \$1 million, levies on arrangements were discontinued as of July 1993 and the Fund will rely on investment income for maintenance. The Fund total at October 31, 1994 was \$1,260,939.45.

The Committee considers all expenditures from the Fund with great care and feels it continues to provide valuable protection for purchasers of pre-paid funeral arrangements in Ontario.

REPORT OF THE COMPLAINTS COMMITTEE

DR. STEPHEN SPEISMAN

The 1994 Complaints Committee was established as follows:

- Dr. Stephen Speisman - Chairman
- Alex Munroe
- Charles Anderson (to May 31, 1994)
- Douglas Porter (June 2, 1994 to September 8, 1994)
- Ted Liddycoat (from September 8, 1994)

The Complaints Committee met as necessary to review written complaints received by the Board regarding the conduct or actions of funeral directors.

Fifty-seven complaints were received during the past year. Of the complaints, two were withdrawn, three were informally resolved and forty were placed before the Complaints Committee. In each case the Committee carefully reviewed the letter of complaint, the funeral director's response, notes of the Board's investigator and any other material put before it and gave serious consideration to the entire matter.

Decisions are pending on twelve complaints. In these cases the complaints were received in the latter part of the year and will either be heard by the Committee at their next meeting or are still under investigation.

Of the forty complaints reviewed, four involved overcharging. In three of the cases, the Committee determined that no complaint was warranted. In one of these cases the complainant has appealed to C.R.A.T. The appeal has not been heard. In respect of the fourth complaint, the matter was referred to the discipline committee for a hearing.

Ten complaints involved unprofessional behaviour or insensitive treatment on the part of the funeral directors. The allegations included insensitive remarks to clients or others, not taking proper care with floral tributes, pressuring clients to assign insurance policies to the home as a condition of providing service and verifying insurance information with the insurance company without the knowledge or permission of the client. Three cases were resolved by an admonishment and a letter of apology to the client. In another, the funeral director received an admonition from the Committee. In two cases the Committee decided that the funeral director ought to send to the client a letter of apology and a refund. In another case the funeral director received an admonishment, had to send a letter of apology and a refund. In the remaining three cases the Committee

determined that action against the respective funeral directors was not necessary.

The Committee received one complaint in which the allegation was that the funeral director would not honour a prepaid contract. The funeral director said that the services had not been paid. The Committee decided that the contract should be honoured. The funeral director appealed the decision to C.R.A.T. and the matter was heard by them on January 10, 1995. A decision has not been received.

A complaint was received in which the allegation was that the funeral director refused services. The Committee determined that there was no basis for complaint. The complainant has appealed to C.R.A.T. but has not been heard.

A complaint was received in which the client alleged that she was not offered price options. The Committee determined that there was no basis for complaint.

In another complaint, the client alleged that the funeral director had misrepresented the rules of a crematorium and may have switched the casket prior to the cremation. The Committee decided that there was no basis for the complaint. The complainant had appealed to C.R.A.T. but has withdrawn the appeal.

The Committee reviewed a complaint in which the client alleged that the funeral director would not embalm or dress the body of a person who had A.I.D.S. and would also not allow the casket to be opened for a final visit with the family. The funeral director was admonished and directed to make a donation on behalf of the family to a charity of the family's choice.

The Committee received twenty-one complaints in which funeral directors had been requested to forward a copy of their price lists. In eleven of the cases the funeral directors did not send the price lists. In ten cases the price lists were sent but were incomplete or not in compliance with the legislation. In some cases the funeral directors were admonished and in others there was found to be no basis for the complaint.

The Board attempts to make the public aware of the complaints process that is set out by the *Funeral Directors and Establishments Act*. This information is given out to the many members of the public who call the Board office throughout the year and through the Board's general information brochure.

The Board's brochure is available, at no charge, directly

from the Board and from the licensed funeral homes throughout the province. As well, many public service agencies, self-help groups and schools stock the brochure.

As Chair, I wish to thank the other Committee members and the staff who have worked diligently in the cause of consumer protection.

REPORT OF THE DISCIPLINE COMMITTEE

CHARLES ANDERSON

The Committee Members for 1994 were:

- Charles Anderson - Chairman
- Gordon Monk
- Stewart Smith

During 1994, there were five disciplinary hearings concerning a variety of professional misconduct charges. A brief summation of each allegation along with findings and penalty in each case will follow:

1. Mr. Peter Bowman was found guilty of professional misconduct by making inappropriate remarks and gestures to female co-workers; improperly touching them; treating them in an abusive manner; threatening their employment at the funeral home; and engaging in harassing conduct both in and outside the office.

On March 17, 1994, the Discipline Committee revoked Mr. Bowman's Funeral Director's licence.

2. Mr. Brian Riley was found guilty of professional misconduct by regularly being under the influence of marijuana, hashish, cocaine and alcohol while practising as a funeral director and making arrangements for the purchase and sale of drugs at the funeral home.

On May 9, 1994, the Discipline Committee found Mr. Riley guilty as charged and ordered a recorded reprimand, a two month licence suspension, a 2 year restriction not permitting Mr. Riley to be a managing director be imposed on his licence, no further penalty be imposed providing Mr. Riley undergo follow-up assessments and random drug testing for two years under the direction of a qualified medical expert, and an order for Mr. Riley to attend Narcotics Anonymous for a period of two years. Finally, Mr. Riley shall abstain completely from the use of any drugs unless prescribed by his physician or substance abuse expert.

3. Mr. Larry Pickering was found guilty of professional misconduct by failing to send donation monies to the charities.

On May 10, 1994, the Discipline Committee found Mr. Pickering guilty and ordered a 9 month licence

suspension, a recorded reprimand, a restriction on Mr. Pickering's licence forbidding him to be a managing director for 3 years, a further restriction on his licence directing him to attend the professional development course approved by the Board for 3 years, and finally a 10 year restriction on his licence obligating him to disclose the findings of these proceedings to any employer.

4. Mr. Donald Derry was found guilty of professional misconduct by charging excessive fees for the services he provided.

On July 6, 1994, Mr. Derry was given a recorded reprimand, a restriction placed on his licence obligating him to submit price lists for all three funeral homes annually and whenever prices are changed for a period of two years, a six month suspension of his funeral director's licence, and the suspension could be reduced to 3 months if Mr. Derry paid \$10,000.00 to bereavement charities as approved by the Registrar.

5. Mr. Frank Bernardo was found guilty of professional misconduct by embalming a body with no proper authorization.

On October 14, 1994, Mr. Bernardo was given a recorded reprimand, and a fine of \$7,500.00 payable to the Treasurer of Ontario by November 15, 1994.

I have found my new position as Chair of the Discipline Committee to be very challenging and fulfilling. Special thanks to all those members who assisted the Committee in reaching the decisions already reported. I look forward to serving on this Board for the upcoming year.

REPORT OF THE LICENCING COMMITTEE

GORDON A. MONK

The Licencing Committee Members for 1994 were:

- Gordon Monk, Chairperson
- Karen Trace
- Allan Cole

There are 1453 Active Licencees, 627 Inactive Licencees and 30 Emeritus status in Ontario. There are 530 licenced establishments serving the public and 3 licenced establishments not providing services to the public. There are 10 licenced Transfer Services operating in Ontario.

In 1994, 104 students were successful in passing the licencing examinations which were held in June with re-writes in December for the unsuccessful candidates. One out of province candidate tried and passed the licencing exam.

Professional Development was held in April at the Toronto Hilton with 258 Funeral Directors attending. Questionnaires were circulated to those attending and the responses were positive. The present format of offering varying topics and smaller groups has met with a high approval rating. Professional Development 1995 will be held in April at the Toronto Hilton.

In February, the Licencing Committee and the Registrar met with the Humber and Cambrian College Funeral Service Instructors to discuss the course of studies and the apprenticeship program. It was agreed that this should be a continuing process to create a forum to keep everyone informed of any curriculum changes or upgrades that may occur or be required.

It has been decided to hold the exams for the Cambrian students in Sudbury and not in Toronto as was previously planned. Practical examinations will also be held in Northern Ontario, negotiations are underway for bilingual examiners and establishments for this purpose.

There has not been a graduate from the Transfer Services course to date. There were a number of registrations but no one has as yet completed the course.

The apprenticeship guideline program has been well accepted by the Funeral Directors and the In-Service Students. Relatively few problems have been encountered and where they existed they have been dealt with.

The Registrar and the Chairman of the Licencing Committee are actively involved on the Humber College Advisory Board. Two new instructors, one in the Ethics course and the other in the Business course, are now in place. There is concern that standardization of the Funeral Services Course across Canada will be enacted with reciprocity of licencing between provinces. The Licencing Committee is of the opinion that any lowering of standards below what presently exists in Ontario is not acceptable.

In October the Registrar and the Chairman of the Licencing Committee attended the Conference of Examining Boards annual meeting in Nashville. This is a conference well worth attending; it provides an excellent overview of the regulatory actions and problems in other jurisdictions.

The Licencing Committee is in the process of developing long range plans as recommended by Price Waterhouse. I wish to thank the Committee, the Registrar and the office staff for their efforts and support over the past year.

BOARD MEETINGS

The Board of Funeral Services and its Committees met for 32 days in 1994.

PHYSICAL PLANT

The offices of the Board of Funeral Services are located at:

Suite 1609
415 Yonge Street
Toronto, Ontario
M5B 2E7

Telephone: 1-416-979-5450
Toll Free: 1-800-387-4458
Fax Number: 1-416-979-0384

There are two years remaining on a ten year lease.

N. S. WRIGHT, C.A.
J. R. MAYHUE, B.COM., C.A.

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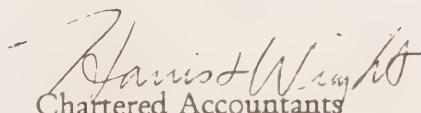
Auditors' Report to the Members of the
Compensation Fund Committee of the Prearranged
Funeral Services Compensation Fund

We have audited the balance sheet of the Prearranged Funeral Services Compensation Fund as at October 31, 1994 and the statements of income and expense and surplus for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Fund as at October 31, 1994 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 8, 1994


Chartered Accountants

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act. 1989)

Year ended October 31, 1994

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Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishment Act, 1989)

Balance Sheet
October 31, 1994

Comparative
1993

ASSETS

Current assets:

Cash:

Toronto Dominion Bank

\$ 5,168 \$ 623

Canada Trust

1,926 1,602

Interest receivable

16,471 13,763

Sundry

150 150

\$ 23,715 16,138

Investments - at cost (Note 4)

(market value \$1,259,013)

1,283,169 993,567

\$1,306,884 \$1,009,705

LIABILITIES

Current liabilities:

Accrued compensation payments

\$ 71,837 \$ 110,660

Accrued trust administration fee

1,346 745

Accrued administration costs

3,000 3,000

Accrued audit fee

2,000 1,500

Sales tax and sundry

308 145

\$ 78,491 \$ 116,050

Surplus

1,225,393 893,655

\$1,303,884 \$1,009,705

Prearranged Funeral Services Compensation Fund
 (Under the Funeral Directors & Establishments Act. 1989)

Statement of Income and Expense
Year ended October 31, 1994

		Comparative <u>1993</u>
Income:		
Levies and initial payments	\$263,368	\$373,695
Investment income	94,277	76,391
Sundry	<u>1,100</u>	
	\$358,745	<u>\$450,086</u>
Expense:		
Administration costs	\$ 6,000	\$ 6,000
Prearranged funds compensated	8,515	193,783
Professional fees	3,618	2,769
Service charges	1	8
Trust administration fees	8,836	7,918
Sundry	<u>37</u>	<u>57</u>
	\$ 27,007	<u>\$210,535</u>
Excess of income over expense	<u>\$331,738</u>	<u>\$239,551</u>

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act, 1989)

Statement of Surplus
Year ended October 31, 1994

		Comparative <u>1993</u>
Balance beginning of year	\$893,655	\$654,104
Excess of income over expense	<u>331,738</u>	<u>239,551</u>
Balance end of year	<u>\$1,225,393</u>	<u>\$893,655</u>

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act, 1989)

Notes to the Financial Statements
Year ended October 31, 1994

1. Significant accounting policies:

The Compensation Fund follows accounting principles generally accepted in Canada in preparing its financial statements.

2. The Compensation Fund was established November 1, 1990 under the Funeral Directors & Establishment Act, 1989 (Ontario) to compensate misappropriated prearranged funeral services deposits. The affairs of the Fund are managed by the Compensation Fund Committee whose members are appointed by the Board of Funeral Services. All monies received from participants and all income on any such money is held in trust for the benefit of such of the holders of claims as The Committee may in its discretion approve. Fees shall be levied to bring the Fund up to \$1,000,000 and if in future the book value of the Fund falls below or is anticipated to fall below \$500,000 additional contributions shall be levied to replenish the Fund. The Fund reached the limit during the fiscal year.

3. Statement of changes in financial position:

A statement of changes in financial position has not been prepared since it would not provide additional information to the reader of the financial statements.

Prearranged Funeral Services Compensation Fund
(Under the Funeral Directors & Establishments Act, 1989)

Notes to the Financial Statements
Year ended October 31, 1994

Comparative
1993

4. Investments - at cost:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>		
B.C.E. Inc.	8.500	01/31/04	\$ 50,063	\$ 50,063
C.I.B.C.	7.100	03/10/04	97,000	
Canada Treasury Bill	4.234	11/10/93		19,914
Canada Treasury Bill	4.226	11/18/93		59,412
Canada Treasury Bill	4.339	01/20/94		46,485
Government of Canada Bond - A3	7.750	07/15/94		29,737
Government of Canada Bond - A56	6.250	02/01/98	71,175	71,175
Government of Canada Bond - A57	7.250	06/01/03	28,725	28,725
Government of Canada Bond - A70	5.750	03/01/99	74,237	
Municipal Finance Authority of B.C.	7.800	01/12/03	30,000	30,000
Nova Scotia Power Inc. Red 1st Prfd. Series A - 1,000 shares		10/01/00		25,000
Ontario Hydro - DH9	9.625	08/03/99	25,000	25,000
Ontario Hydro Electric	10.250	04/04/09	24,837	24,838
Ontario Hydro Global	9.000	04/16/02	73,725	73,725
Province of Alberta - CK	6.000	03/01/99	98,690	
Province of Alberta - CI	7.750	02/04/98	24,850	24,850
Province of British Columbia - BCCG-1	7.750	06/16/03	48,700	
Province of British Columbia	9.500	01/09/12	49,700	49,700
Province of Ontario Savings Corp.	7.500	01/28/95	20,000	20,000
Province of Ontario Savings Corp.	7.750	01/28/96	20,000	20,000
Province of Ontario - G.I.C.	9.000	10/11/95	30,000	30,000
Province of Ontario - G.I.C.	9.250	10/18/96	30,000	30,000
Province of Saskatchewan	8.125	02/07/97	24,938	24,938
Province of Saskatchewan - H.B.	8.750	06/01/01	75,675	75,675
T.D. Bank	8.000	12/15/03	24,905	24,905
Common Trust Fund - Equities 5412.211 units (5249.180 units - 1993)			125,163	121,022
Common Trust Fund - Foreign equity 3378.888 units (3010.941 units - 1993)			42,786	37,403
Common Trust Fund - Money Market Fund 19300.000 units (5100.000 units - 1993)			<u>193,000</u>	<u>51,000</u>
			<u>\$1,283,169</u>	<u>\$993,567</u>

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TORONTO, ONTARIO M4T 1M9

N. S. WRIGHT, C.A.

J. R. MAYHUE, B.COM., C.A.

Auditors' Report to the Directors of the Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 1994 and the statements of income and expense, surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Board as at October 31, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 6, 1994

James Wright

Chartered Accountants

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Year ended October 31, 1994

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Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Balance Sheet
October 31, 1994

		Comparative <u>1993</u>
<u>ASSETS</u>		
Current assets:		
Cash and bank	\$143,963	\$ 42,758
Certificates of deposit	585,581	325,726
Accounts receivable	24,600	12,386
Prepaid expense	<u>8,492</u>	<u>11,698</u>
	\$762,636	\$392,568
Cash held in Trust	<u>\$ 860</u>	<u>\$ 2,995</u>
Fixed assets at cost:		
Office furniture and equipment	\$114,182	\$ 103,477
Leasehold alterations	<u>21,406</u>	<u>21,406</u>
	135,588	124,883
<u>Less - accumulated depreciation</u>	<u>76,976</u>	<u>62,849</u>
	<u>58,612</u>	<u>62,034</u>
	\$822,108	\$457,597
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 61,098	\$ 59,988
Deferred licence fee revenue	181,530	181,625
Payroll and sales taxes payable	<u>12</u>	<u>6,970</u>
	\$242,640	\$248,583
Trust reserves - Cash held in trust	860	2,995
Reserve for future disciplinary costs (Note 4)	150,000	150,000
Surplus (deficit)	<u>428,608</u>	<u>56,019</u>
	\$822,108	\$457,597

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Revenue and Expense
Year ended October 31, 1994

		Comparative <u>1993</u>
Revenue:		
Funeral Directors' licence fees	\$ 326,430	\$ 284,135
Funeral Establishments' licence fees	747,725	711,172
Transfer service licence fees	12,470	8,826
Student registration fees	5,750	5,350
Student examination fees	15,950	13,950
Professional development	43,556	49,966
Interest on investments	38,298	29,912
Expense recoveries - compensation fund	6,000	6,000
Other	3,207	3,471
Reimbursement - M.C.C.R.	<u>8,582</u>	<u>10,609</u>
	<u>\$1,207,968</u>	<u>\$1,123,391</u>
Expense:		
Board	\$ 67,210	\$ 70,118
Committee	170,772	232,420
Salaries and benefits	333,118	308,706
General office	209,446	244,620
Inspection	<u>54,833</u>	<u>40,072</u>
	<u>\$ 835,379</u>	<u>\$ 895,936</u>
Net income for year	<u>\$ 372,589</u>	<u>\$227,455</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Surplus (Deficit)
Year ended October 31, 1994

		Comparative <u>1993</u>
Balance beginning of year	\$ 56,019	\$(21,436)
Net income for year	372,589	227,455
Appropriation of surplus for future disciplinary costs (Note 4)		<u>(150,000)</u>
Balance end of year	<u>\$428,608</u>	<u>\$ 56,019</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Changes in Financial Position
Year ended October 31, 1994

		Comparative <u>1993</u>
Cash provided by operations:		
Net income for year	\$372,589	\$227,455
Items not affecting working capital:		
Depreciation	<u>14,127</u>	<u>13,057</u>
Working capital from operations	386,716	240,512
Net change in non-cash working capital	<u>(14,951)</u>	<u>89,058</u>
Cash provided from operations	371,765	329,570
Cash invested:		
Fixed asset (additions) disposals - net	<u>(10,705)</u>	<u>(20,057)</u>
Increase in cash	361,060	309,513
Cash at beginning of year	<u>368,484</u>	<u>58,971</u>
Cash at end of year	<u>\$729,544</u>	<u>\$368,484</u>
Cash at end of year represented by:		
Cash	\$ 143,963	\$ 42,758
Certificates of deposit	<u>585,581</u>	<u>325,726</u>
	<u>\$729,544</u>	<u>\$368,484</u>
Net change in non-cash working capital:		
Increase (decrease) in:		
Current assets:		
Accounts receivable	\$ 12,214	\$ 5,189
Prepaid expense	<u>(3,206)</u>	<u>2,547</u>
	<u>9,008</u>	<u>7,736</u>
Current liabilities:		
Accounts payable and accrued liabilities	1,110	41,182
Deferred licence fee revenue	(95)	55,722
Payroll and sales taxes payable	<u>(6,958)</u>	<u>(110)</u>
	<u>(5,943)</u>	<u>96,794</u>
Net increase (decrease) in non-cash working capital	<u>\$ 14,951</u>	<u>\$ (89,058)</u>

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Schedule of Expense
Year ended October 31, 1994

Board expense:

Professional member	\$ 11,436	\$ 6,421
Public member	2,341	1,600
Professional member per diem	17,915	14,324
Public member per diem	6,100	6,400
Insurance - Directors' liability	4,150	2,205
Insurance - Accidental death	2,274	3,601
Legal - General	12,830	14,060
Meeting expense	10,164	21,507

\$ 67,210 \$ 70,118

Committee expense:

Complaints	\$ 129	\$ 1,478
Complaints - legal	3,605	93
Compensation Fund	86	171
Discipline	1,402	11,257
Discipline - Legal	20,745	151,425
Discipline - Legal Prosecution	71,510	
Discipline - Hearing	24,447	
Discipline - C.R.A.T. Hearing	75	
Executive	508	7,306
Licencing	5,710	5,978
Licencing - Conferences	1,561	
Licencing - Examinations	6,469	6,252
Licencing - Professional Development	34,525	48,460

\$170,772 \$232,420

Salaries and benefits:

Salaries - Full time	\$272,534	\$263,868
Salaries - Temporary	591	589
Employee pension	7,775	7,235
Canada pension plan expense	6,200	4,018
Unemployment insurance	10,156	9,645
Employer Health Tax	4,977	3,854
Health insurance	11,745	8,993
Personal recruitment		2,455
Parking	5,705	4,823
Staff training	4,570	3,226
Pay equity consultant	8,865	

\$333,118 \$308,706

Schedule "A"

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Schedule of Expense
Year ended October 31, 1994

		Comparative <u>1993</u>
General Office:		
Audit	\$ 13,046	\$ 13,003
Bank charges	1,486	884
Computer - equipment and supplies	351	1,668
Computer - consulting	10,105	8,829
Depreciation	14,127	13,057
Directory	8,732	
Education	13,673	
Equipment - leasing	6,127	7,182
Insurance	657	761
Maintenance	928	
Membership	1,152	978
Newsletter	2,224	
Postage	14,637	20,086
Printing, stationery and supplies	13,497	21,795
Program review		45,423
Registrar expense	6,228	5,880
Rent	79,846	76,879
Sundry office	48	73
Telephone	22,475	26,388
Translation expense	<u>107</u>	<u>1,734</u>
	\$209,446	\$244,620
Inspection expense:		
Car - leasing	\$ 15,358	\$ 8,474
Car - gas and repairs	8,228	3,944
Car - insurance	3,070	1,874
Inspectors' expense	16,777	25,780
Investigation expense	<u>11,400</u>	
	\$ 54,833	\$ 40,072

Board of Funeral Services
(Under the Funeral Directors and Establishments Act, 1989)

Notes to Financial Statements
Year ended October 31, 1994

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1. Accounting policy:

Depreciation:

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are being written off over the remaining term of the lease.

2. Lease commitments:

The Board rents office equipment under a long-term operating lease which expires March 1, 1998. Office space is leased under a long term agreement which expires March 31, 1996. Autos are leased for the inspectors and the expiry dates of the leases are July 1995 and October 1995. Future minimum rental payments under the leases with initial or remaining terms of one year or more consisted of the following at October 31, 1994:

1995	\$52,945
1996	17,875
Thereafter	<u>3,695</u>
Total minimum lease payments	<u>\$74,515</u>

3. The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund which was established under the Funeral Directors and Establishments Act, 1989.

4. Appropriation of surplus:

In recognition of some uncertainty concerning unanticipated legal and hearing costs for the disciplinary process, the Board has appropriated from surplus \$150,000 to offset such possible future expenditures.

5. Comparative figures for the previous year have been adjusted to conform with the current year's presentation.